

SUPPORTING STATEMENT REG-154000-04

1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION

Regulation 48.4082-1(d) amends the Manufacturers and Retailers Excise Taxes Regulations to reflect changes made by the American Jobs Creation Act of 2004, relating to the tax imposed under section 4082(a) on diesel fuel and kerosene. Any diesel fuel or kerosene that is destined for a nontaxable use must be indelibly dyed by mechanical injection. The regulations describe the requirements for each mechanical dye injection system in order to make that system tamper resistant. Implementation of a mechanical dye injection that satisfies the requirements in the regulations will be mandatory upon the effective date, which is 180 days after regulations are final.

Notice 2005-80, Section 6, suspends these regulations until such time as Final regulations are published. The information in The RIN states that the agenda is in the final rule stage, and that action will be taken by April of 2012. We are therefore requesting a renewal of this ICR, and will submit a request for a revision or non-material change when the final rules are published.

2. USE OF DATA

The information will be used by the Service to verify that the proper amount of tax is reported, excluded, refunded, or credited.

3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN

IRS Publications, Regulations, Notices and Letters are to be electronically enabled on an as practicable basis in accordance with the IRS Reform and Restructuring Act of 1998.

4. EFFORTS TO IDENTIFY DUPLICATION

We have attempted to eliminate duplication within the agency wherever possible.

5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

We have been unable to reduce burden specifically for small businesses.

6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES

Not applicable.

7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)

Not applicable.

8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS

This notice of proposed rulemaking was published in the Federal Register on April 26, 2005 (70 FR 21361).

We receive no comments during the comment period in response to the **Federal Register notice dated August 11, 2011 (76 FR 51127)**.

9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

Not applicable.

10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES

Generally, tax returns and return information are confidential under 26 U.S.C. 6103.

11. JUSTIFICATION OF SENSITIVE QUESTIONS

Not applicable.

12. ESTIMATED BURDEN OF INFORMATION COLLECTION

Section 48.408s-1(d)(2)(v) requires that the operator of each facility that has a mechanical dye injection system must have written procedures for complying with its duty to maintain the system's security standards. Section 48.4101-1(h)(3)(iv) requires that, beginning after December 31, 2005, the operator retain the records pertaining to that terminal for a period of 12 months, rather than the three month period currently in effect. We estimate the number of responses to be 200, and estimate the total burden hours to be 1,400 hours.

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS

As suggested by OMB, **Federal Register notice dated August 11, 2011 (76 FR 51127)**,

requested public comments on estimates of cost burden that are not captured in the estimates of burden hours, i.e., estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information. However, we did not receive any response from taxpayers on this subject. As a result, estimates of the cost burdens are not available at this time.

14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT

Not applicable.

15. REASONS FOR CHANGE IN BURDEN

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

16. PLANS FOR TABULATION, STATISTICAL ANALYSIS, AND PUBLICATION

Not applicable.

17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE

We believe that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the regulation sunsets as of the expiration date. Taxpayers are not likely to be aware that the Service intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

18. EXCEPTIONS TO THE CERTIFICATION STATEMENT ON OMB FORM 83-1

Not applicable.

Note: The following paragraph applies to all of the collections of information in this submission.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.